



Missouri Department of Natural Resources

MINUTES MISSOURI SOIL AND WATER DISTRICTS COMMISSION DNR CONFERENCE CENTER JEFFERSON CITY, MISSOURI September 8, 2005

COMMISSION MEMBERS PRESENT: John Aylward, Kathryn Braden, Elizabeth Brown, Richard Fordyce, Leon Kreisler

EX-OFFICIO MEMBERS: DEAN THOMAS PAYNE, UNIV. OF MISSOURI: David Baker; JOHN HOSKINS, DEPT. OF CONSERVATION: Brad McCord; DOYLE CHILDERS, DEPT OF NATURAL RESOURCES: Mike Wells

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; NRCS: Dwaine Gelnar; MASWCD: Steve Oetting

STAFF MEMBERS PRESENT: Gary Baclesse, Jim Boschert, April Brandt, Chris Evans, Allan Clarke, Joyce Luebbering, Dean Martin, Theresa Mueller, Marcy Oerly, James Plassmeyer, Josh Poynor, Jeremy Redden, Ron Redden, Kevin Scherr, Judy Stinson, Ken Struempfler, Lindsay Tempinson, Chris Wieberg, Bill Wilson

OTHERS PRESENT: LEGISLATORS: Steve Collier representing Representative Michael McGhee; **DISTRICTS:** BARTON: Ben Reed; CAPE GIRARDEAU: Stan Murray; DALLAS: Tony Rosen; **STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE:** Zora AuBuchon, **DEPARTMENT OF NATURAL RESOURCES:** Trent Summers; **OTHERS:** FARM BUREAU: Kelly Smith; MASWCD: Fred Feldmann, Peggy Lemons; NRCS: Ron Miller, Dick Purcell; **INDIVIDUALS:** Brian Spease, Sheryl Spease

A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, in the Bennett Spring/Roaring River Room at 8:35 a.m.

B. MINUTES OF THE LAST MEETING

Richard Fordyce made a motion to approve the minutes of the August 4, 2005 commission meeting as mailed. Kathryn Braden seconded the motion. When asked by

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the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

C. CLOSED SESSION

John Aylward made a motion that the Soil and Water Districts Commission go into closed session at this meeting if such action is approved by a majority vote of the commission members who constitute a quorum, pursuant to Section 610.021, RSMo 2000 (as amended), to discuss legal, confidential, or privileged matters under Section 610.021(1), RSMo. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

D. PLANNING

1. Review Draft of Commission's Plan for the Future With Area Meeting Comments – Steve Jeanetta – UMC

Steve Jeanetta presented an update on some of the changes to the draft Plan for the Future.

The changes were made using the information received at the Area Meetings and input from the Planning Advisory Committee. There were several things said about the plan that did not require changes. Some of the comments were about things that were already in the plan and other comments did not relate to the plan. Others suggestions were in regard to specific programmatic changes that they would like to see made.

Dean Martin stated that they received comments for a clarification of water conservation. Mr. Martin provided a definition of it in the context of the plan, “conserving the quality and quantity of water that falls as rain or snow upon the land. Water conservation can also result in increased water infiltration into the ground for use by plants, or as recharge water for streams and aquifers”. That was basically how water conservation was defined in the plan.

Mr. Jeanetta stated it was used as a clarification in terms of how they talked about it as a role of the commission. There were three changes that were made as a result of feedback that was received. The first one related to impacts, changes, and workloads. What was added was the object to evaluate the workload; process; organization; and partners' changing programs and needs. There was concern that changes in the programs, and increases in program activities from Natural Resources Conservation Service programs are increasing the workloads

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of the districts. The objective was aimed at monitoring the situation and making sure that they have the resources needed to get the job done. The other two were points of clarification on some of the education objectives, such as acknowledging the role that education plays in some of the practices that are implemented. Mr. Jeanetta stated that the commission has the plan, now the options were to adopt the plan, think about it some more, or make changes. Mr. Jeanetta reiterated what his part was in the process. He stated that some of the follow-up ideas were where does the commission go now with the information received. Issues that would require continual dialogue were education, land use, and the capacity building for the district boards. This was because there was concern that it was becoming more difficult to get supervisors to participate on the boards, and some of the boards are not as engaged in the management of their local districts. These three items will need more work in terms of appropriate responses. Mr. Martin stated that even if it were adopted, it is not the end of the process because at anytime the commission would like, the plan could be revisited and changes or updates could be made.

When asked if any thought had been given about sitting down with the partners and looking at the plan to see how it interfaces with them, Mr. Martin answered that there were a number of places where the plan discusses and encourages the improvement of partnerships and working relationships. Sarah Fast stated that that was the next step. Ms. Fast thanked Mr. Jeanetta for all of his hard work.

Kathryn Braden made a motion to approve the draft plan. John Aylward seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Mr. Martin asked for clarification, because the plan had been a draft. Ms. Fast stated that the commission was adopting the draft as the final.

2. District Employee Benefit Grant

Jim Boschert presented a report on the district employee Benefit Grant. Mr. Boschert stated he would be discussing the following items during the report: the amount of funds claimed in FY05, a review of information from the Benefit Agreements submitted by the district and changes made by Missouri Consolidated Heath Care Plan (MCHCP) for the next calendar year.

In FY05 the districts claimed \$892,605 for health insurance from the benefit grant. This was 14 percent over the amount claimed in the previous year. For

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retirement the districts claimed \$337,756. This was an increase of 7 percent over the previous year. These two amounts equaled \$1,230,361, which was an increase of \$126,709 over the previous year. The amount left unspent in the Benefit Grant was \$34,631.

Next Mr. Boschert reported on the information from the Benefit Agreements that the districts submit. The Benefit Agreements let the program staff know which of district employees will be using the health insurance and retirement benefit. This agreement also lets the program office know the employee's hourly wage, monthly health insurance premium, the hours that they are planning to work in the upcoming year. At this time, 110 districts have submitted their benefit agreements. The other four districts have been contacted by program staff requesting that they submit their agreements. According to the information received, there are 318 district employees. Of this amount, 248 have accepted the health insurance benefit and 288 have accepted the retirement benefit. It is estimated that \$341,654 will be claimed from the retirement portion of the Benefit Grant for the current fiscal year.

The commission has determined that the district employees benefit grant is for health insurance and retirement expenses for only district employees who worked over 1,000 hours in a fiscal year. Their retirement may be set at up to 5 percent of their gross salary. The salaries can be updated twice a year. The commission reimburses districts for health insurance expenses for only their employees. The amount reimbursed is the least cost MCHCP rate for the county or their monthly premium whichever is less. The commission in the past decided to use the rate provided by MCHCP because they were the only entity that would provide a rate for each district in the state. The commission also established a \$10 copay per employee per month. If the district board wants to pay additional retirement or additional health insurance expenses, they can use other appropriate state or local funds.

Mr. Boschert stated that for calendar year 2006, MCHCP would not be providing rates for all districts. The districts that used MCHCP as their provider in the current year were the only ones offered rates for 2006. Out of the 114 districts only 41 were currently using MCHCP as their provider and the other 73 were using another provider. It was noted that several of the 73 districts were using Blue Cross Blue Shield as their provider. Because 73 were not using MCHCP, there is no rate to use as the maximum that a district can claim from the benefit grant for health insurance. For the 41 districts that are currently using MCHCP, the rates for next year have decreased in some and increased in others. Of the districts using MCHCP, 19 had a decrease of 7.7 percent and five had an increase

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of 48 percent. The amount of decreases or increases was based on the number of claims the district had in 2004. Mr. Boschert proceeded to give an example of how the premiums were calculated.

At this time Mr. Boschert introduced Peggy Lemons, from the Missouri Association of Soil and Water Conservation Districts Benefit Committee. Peggy Lemons stated that the information that the committee receives is reviewed for the purpose of making recommendations to the commission. Ms. Lemons made the commission aware that the districts that were covered by Missouri Consolidated last year had to sign a two-year contract. So those that are with Missouri Consolidated would have to stay with them, unless they can find way to get out of the contract. Ms. Lemons stated that if they do not stay with Missouri Consolidated, there is a penalty of \$10,000 or three months of premiums, whichever is more. Ms. Lemons proceeded to give an example of her county in regard to the changes with Missouri Consolidated rates. Ms. Lemons stated that the committee's recommendation was that the districts in Missouri Consolidated have their premium covered at the least cost rate and a 10 percent increase for the districts not in Missouri Consolidated.

Richard Fordyce stated that when MCHCP went to the tier structure, one district could easily exceed the 120 percent of the premium paid. He felt that the long-term goal was to find a better solution. Ms. Lemon stated that they were checking with Farm Bureau about a proposal called an association plan that could be offered statewide for the districts. Elizabeth Brown complemented the committee on a complete job. When asked how long the \$10 copay had been in effect, Mr. Boschert answered the last four years.

Richard Fordyce made a motion to allow those districts that have a MCHCP rate to allow them to claim the new rate less the \$10 copy. For those district that do not have a MCHCP rate for 2006 allow them to claim a maximum of their current MCHCP rate (2005) plus an 8 percent increase in that rate or their current premium whichever is less for their health benefit allocation. The \$10 copay would also be taken form this amount. Kathryn Braden seconded the motion.

Mr. Fordyce stated that the benefit committee meeting they saw premium rates that were varied, some districts were economical, and some were very high, and the ones that were very high were in MCHCP. Sarah Fast asked if it was clear which motion the committee had recommended.

After discussion, Mr. Fordyce rescinded his motion. Mr. Fordyce made a motion to allow those district that have a MCHCP rate to use the new rate less the \$10

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copay. For those districts that do not have a MCHCP rate for 2006, allow them to claim a maximum of their current MCHCP rate (2005) plus an 10 percent increase in that rate or their current premium whichever is less for their health benefit allocation. The \$10 copay would also be taken from the amount. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

E. REQUESTS

1. Land Assistance Section

a. Cost-Share

1. McDonald/Newton/Barry SWCD – Request to Provide Cost-Share at the County Average Cost for the DFR-5 (Woodland Protection Through Livestock Exclusion) Practice

Marcy Oerly presented a request from Newton, McDonald, Barry, Vernon, Lawrence, Stone, Taney, Livingston, Dent, Miller, Phelps, and Oregon SWCDs to increase cost-share for the fencing component for the DFR-5, or the Woodland Protection through Livestock Exclusion practice.

Ms. Oerly proceeded to review the fencing rates associated with different practices. The livestock exclusion practices, which included the DFR-5 and DFR-4 are limited to an incentive payment of \$0.25 per foot of barbwire and \$0.10 per foot of permanent hot wire fence at a 100 percent cost-share rate. Ms. Oerly pointed that the reason for the limits for the fencing costs were due to the fact that these practices are exempted from soil loss requirements when the practice is installed on riparian areas or on upland soil with slopes exceeding 10 percent.

For practices that include any kind of critical area planting, such as ponds, cost-share is limited to an incentive payment of \$0.375 per foot of barbwire fence and \$0.15 per foot of permanent hot wire fence at a 100 percent cost-share rate. The commission provides an incentive greater than that on the DFR-5 and DFR-4 for fencing around critical area seedings because active erosion must be occurring in order for the practices to be eligible for cost-share.

The fencing costs for DSP-3, or planned grazing system, is not to exceed 75 percent of the county average cost or the actual cost

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whichever is less. This limit was chosen because fencing and water distribution are the primary components of this demonstration practice.

Ms. Oerly explained that the purpose of the DFR-5 was to protect soil and plant resources from the grazing of domestic livestock. She also noted that the practice could be used in existing woodland areas at risk of excessive erosion due to grazing. Ms. Oerly also noted that in riparian areas, such as stream floodplains, and upland soils with slopes exceeding ten percent, the practice is exempt from the requirement of excessive erosion loss.

The components that are eligible for cost-share include plantings to correct immediate erosion problems and the necessary seed or seedlings, and fencing to exclude livestock from woodland within existing functional interior or property line fence. Cost-share for the seedlings and plantings are not to exceed 75 percent of the county average cost or the actual cost whichever is less. The cost-share for the fencing costs are limited to a maximum incentive of \$0.25 per foot of barbwire fence and \$0.10 per foot of permanent hot wire fence at a 100 percent cost-share rate.

According to the letters received in the program office, the districts asked for the review of the DFR-5 fencing cost-share incentives because the current rates, due to the increased cost of materials and labor, are not sufficient to get the practice installed. The boards recommended that cost-share be based on 75 percent of the county average cost, or at a minimum, increase the incentive rates.

Ms. Oerly stated that in FY05, 93 DFR-5 practices were completed with 296,890 feet installed. State cost-share for those practices totaled \$67,627. Next Ms. Oerly gave background information on how the original incentive rates were determined. If increased and updated incentive rates were used on the FY05 footage, the cost would have increased to approximately \$139,538. If the county average cost was used, it may have increased state cost-share to approximately \$207,000. According to the districts, they believe that with increased fencing incentives or cost-share rates, the livestock exclusion practice would be used in greater numbers by the landowners of the state. Ms. Oerly reminded the commission that many, if not most of the practices are implemented with no

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excessive soil loss, so there would be increased costs with little or no additional soil savings.

The Missouri Department of Conservation's (MDC) fencing practice is very similar to the DFR-5. The cost-share rate that they use is \$0.50 per foot for electric fence or \$0.80 per foot for conventional fences. The total cost-share payment cannot exceed \$7,000 per landowner per year. Ms. Oerly noted that even though MDC offers a higher fencing rate, they have additional requirements that have to be met, and the maintenance life of their practice is ten years instead of the five years that the commission requires.

Fred Feldmann stated that the problem with keeping the cost at a fixed rate is that you will continue to have this problem all the time. He explained that the existing rates, which were based on how much the commission was willing to cost-share on the practice, had nothing to do with the actual cost of the components. Back when the rates were implemented they were reduced because of the soil loss exemption. Mr. Feldmann stated that he would like someone to explain to him the difference between soil loss on land already in grass and that of woodland or riparian areas. He did not think that all of the values and figures are really based on soil erosion. He stated that when you fence cattle off grass or woodlands it does not take long to see the benefits. In was his opinion that this would fit with the Plan for the Future on clean water. The rates in the beginning were looked at as incentives and would provide landowners up to 100 percent of the cost, which is now out dated. He stated that in 1990 the average state cost-share rate was \$0.52 per foot and now it is \$0.93, which is a 175 percent increase since the rates were implemented. Mr. Feldmann stated that if the change were approved, he would like to see it implemented as soon as possible, because the sign up started the first of September.

Kathryn Braden stated that the cost of fencing had prohibited some landowners from being interested in the practice. Mr. Feldmann stated that he had seen the difference that two or three years of cattle exclusion could do for filter strips and CRP.

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John Aylward made a motion to revise current policy and base fencing rates on county average cost (this would also apply to SALT fencing rates). Kathryn Braden seconded the motion.

Leon Kreisler asked if it would be at 75 percent or 100 percent, John Aylward answered that it would be 75 percent of the county average cost. Richard Fordyce asked if it was only for the DFR-4 and DFR-5 or all practices. Elizabeth Brown answered it was her understanding that it was for all practices. Ms. Oerly stated that staff was going to ask that if the rate increase was approved for the livestock exclusion practices, would the commission want to do the same for the fencing rates used to protect critical area seedings. Those rates are currently limited to \$0.375 a foot for barbwire and \$0.15 for electric.

Mr. Aylward made a motion to make the change anywhere a fence would be required. Kathryn Braden seconded the motion.

Mr. Fordyce stated that at the Area Meeting he attended this issue was brought up and the concern was the cost of steel. Zora AuBuchon asked if this was for all counties or just the requesting counties, Mr. Aylward answered that it was for all counties.

When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

F. REVIEW/EVALUATION

1. District Assistance Section

a. Update on Contract Audits of the Districts

Jim Boschert presented an update on the Soil and Water Conservation District (SWCD) contract audits. Last October, the contract was signed with three Certified Public Accounting firms to do audits of the soil and water conservation districts. Mr. Boschert proceeded to update the commission on the status of district audits.

The auditors are doing an agreed upon procedures audit. The soil and water conservation program staff along with input from the internal audit program and division personnel developed a list of questions for the

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auditors to review with the districts. The input received from the districts has been very positive in regards to this type of audit.

Mr. Boschert reported that six district audits had been completed and the reports had been presented to the local district board. The six districts are Boone, Callaway, Knox, Osage, Putnam, and Randolph. When the audit is complete, program staff reviews the reporting with the district and the district is asked to complete a plan of action on how they plan to correct each finding. The program office has received three plans. Mr. Boschert proceeded to cover some of the findings in the audit. Some of the most common findings noted were checks not having two signatures, rental logs not used, timesheets not signed by supervisors, cost-share forms not approved in minutes, no formal maintenance policy for cost-share and various items missing from the district board minutes.

In the second round of audits, the auditor will be looking at the previous audits that were completed to see if the districts had corrected the items that were noted in the first round. The six districts had a total of 49 findings in the first round of audits. The auditor noted that they did not detect 38 of these findings in the second round. This indicated that the districts were correcting most of the issues that were noted in the first round. Mr. Boschert informed the commission that they would be updated on future audits.

2. Land Assistance Section

b. Cost-Share

1. Monthly Cost-share Usage and Fund Status Report

Marcy Oerly reported that districts have been allocated approximately \$24,000,000 for use in the present fiscal year. It was projected that only \$20,000,000 of the allocated funds would be claimed. The projection was based on amounts claimed in previous years in relation to the total allocations made available to the districts.

As of August 31, 2005, \$260,000 in claims had been processed, which was a little more than projected.

As of September 7, 2005, the program office had received \$300,000 in claims, which was \$200,000 less than the same time last year.

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2. Update on the Current Drought Situation

Ron Redden presented an update on the current drought situation and possible temporary changes to the reseeding policy based on policy changes the commission has adopted during previous droughts.

In FY 2002, the commission set aside \$200,000 for drought assistance. Of this amount, \$88,000 was requested by the districts; however, only \$34,000 was actually spent for reseeding. The commission limited assistance to reseeding of pastures and haylands that were determined by Natural Resources Conservation Service (NRCS) to have failed due to the drought.

Previously, to be eligible, the county had to be declared an Emergency Conservation Program (ECP) county by FSA. The practice had to still be under the maintenance life, and NRCS had to determine that the seeding failed and that the failure was a result of drought.

The temporary policy changes included the timeframe for reseeding. The timeframe was extended from one year on cool season grasses and two years on warm season grasses to five years and a new five-year maintenance life was added to the practice. Cost-share was approved for reseeding on fields that had already received cost-share for reseeding. Landowners were not required to reseed with the same grass species; DSL-2 and DSP-2 were limited to legumes. The landowner was provided the option to plant an interim forage such as, Sudan grass, oats, or triticale in the spring or early summer for replacement pasture, at the landowner's own cost, and then apply for cost-share for a fall seeding. The commission set a deadline for which the landowners could apply under these temporary policy changes such as, August 30, 2006.

Previous temporary policy changes did not provide cost-share for ENM or nutrients. Districts had to use their own cost-share allocation first, they had to have at least 98 percent obligated, and it was limited to \$10,000 per district. Drought assistance was limited to the DSL-1, DSL-3, and the DSP-2 practices.

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An additional drought consideration Leon Kreisler wanted to discuss was to extend the period of time from 48 months to 72 months for which a landowner can be eligible for DSP-3 funds after the initial claim has been approved.

Mr. Kreisler stated that when talking with landowners, he found out how much better their forage was on their planned grazing systems during the drought. He stated that he thought that this was a good opportunity to help them by extending it. When asked if this was for any situation, Mr. Kreisler answered that originally he was only thinking it was for a one-time only, two-year extension but he would not argue about it being permanent. When asked if it was for the drought situation, Mr. Kreisler indicated that was correct. When asked if this was for landowners that had not already reached their total funds for the DSP-3, Mr. Kreisler answered that it was. When asked for clarification about a landowner that had a declared drought in 2000, the question was raised if the landowner would still be eligible today to sign up for drought assistance. Elizabeth Brown answered that she did not think so and that she thought it was for the current year. Sarah Fast stated that is was for the reseeding and it would have to be NRCS certified that the seeding failed due to the drought, if current policy was followed. She also stated that for the DSP-3, she understood it to be a blanket policy that would be statewide from this point for two years, because overall the drought was basically statewide. When asked if there would be a cut-off date, Ms. Fast answered that there would be.

Mr. Redden stated he understood that Mr. Kreisler's alternative did not require that there be a failed seeding but only require that the landowner had present acreage in DSP-3 and had exceeded the four-consecutive year policy. Mr. Redden stated that Mr. Kreisler would like to give all landowners an additional 24 months if it has been more than 48 months since their first claim was approved. The landowner would be able to add to their DSP-3 up to their limit of \$9,000.

Mr. Redden stated that the program staff was originally looking at a reseeding policy change being applied only to counties that had been declared Emergency Conservation Program (ECP) counties, and they would have to apply under those policies by the end of

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August of 2006. If it were not an ECP county, then the commission's current reseeding policy would apply. When asked how many counties had been declared ECP counties, Mike Wells answered that originally there were 22 counties. Dwaine Gelnar stated that it was his understanding that there were a number of additional counties that requested to be included, and the list was up to approximately 30. When asked if there was any reason that districts would not use ECP money first and then use soil and water district funds, Mr. Redden answered that under ECP, reseeding was not normally done.

Richard Fordyce made a motion to adopt the previous drought policy. Kathryn Braden seconded the motion.

Mr. Redden stated that the commission could set aside \$200,000 based upon the same criteria as last time. He also informed the commission that the district had to be 98 percent obligated. The commission made available up to \$10,000 per district.

Mr. Redden pointed out that most districts that requested money did not ask for the \$10,000, but the commission did make that much available to them. Ms. Fast stated that she understood that to be the motion that was made. Ms. Fast asked the commission if they wanted to consider any additional funds for districts that claimed less than 80 percent other than the reseeding money. The only two exceptions for this would be Cole and Wayne. Mr. Aylward stated that he felt that the commission should look at that on an individual basis. Ms. Fast stated that a motion would not be needed if current policy stood.

Ms. Fast stated that the next issue was if the commission wanted, because of drought, to allow an extension for the DSP-3 from the 48 months to 72 months and keep the current ceiling.

Leon Kreisler made a motion to extend the DSP-3 program from 48 months to 72 months and keep the current ceiling for one time only for the two years then go back to the four years. John Aylward seconded the motion. Mr. Fordyce asked if it mattered where the landowner was at in the 48 months, or was it for the landowners that were at the 48-month point to allow them the opportunity to extend for 24 more months. Mr. Kreisler stated that

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if the landowner was less than 48 months, it did not affect them. Mr. Redden asked how long the policy would remain in effect. Mr. Kreisler answered two years. Ms. Fast stated the two years would be from the date of the memo. Ben Reed asked if during the two years the landowner would be able to sign up during that time or would the practice have to be completed during that time limit. Mr. Kreisler answered the landowner would just have to sign up. Zora AuBuchon asked if what was being voted on could be written and presented to the commission so that it was clear on what was being voted on. Ms. Fast answered that staff could present it to the commission. Mr. Kreisler stated that he would withdraw his motion. Ms. Fast stated that staff would present the written clarification to the commission later in the meeting.

G. PLANNING (Continued)

1. Update on DNR Reorganization – Mike Wells

Mike Wells the Deputy Director of the Department of Natural Resources (DNR) thanked the commission for the opportunity to speak before the commission. He stated that it was good to be back involved with the Soil and Water Conservation Districts Commission, the districts, and NRCS. He informed the commission that he was going to give a quick overview of the reorganization that DNR had implemented.

Mr. Wells stated that one of Director Childers' primary emphasis was to try and provide better field services to the constituents in the state. Because of this, the Division of Field Services was created. This division will encompass the Regional Offices, Environmental Assistance Office, Environmental Services Program, and Satellite Offices, which would be under the Regional Offices. He stated that in order to cut down on driving time, the satellite office locations being looked at were Rolla, Maryville, West Plains, and some other places. Mr. Wells stated that the Division of Environmental Quality (DEQ) would be where the regulatory programs would be. He informed the commission that in the old DEQ, the Soil and Water Conservation Program (SWCP) was in that division, but when that division was separated it became the Water Protection and Soil Conservation Division. Now it has been brought back into one division, at that time they did not feel that SWCP was a regulatory program. They felt that SWCP needed a place with a little more prominence in the department. He stated that when he worked with the Soil Conservation Services, he worked in Arkansas and Oklahoma and the soil and water programs in those states either reported directly to the governor or was high in state government. He stated that now the SWCP

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had been elevated to Director's Office and would be under his direction. Mr. Wells stated that the commission would see very little change in the way things were done. Mr. Wells proceeded to cover some of the new organization chart.

When asked who would be sitting at the table representing DNR, Mr. Wells answered that he would be. Elizabeth Brown stated that the commission felt reassured that things were not going to be drastically changed. Mr. Wells stated if the commission members had questions, not to hesitate to call him.

H. REVIEW/EVALUATION (Continued)

1. Land Assistance Section

a. Special Area Land Treatment (SALT)

1. Management Strategy Updates

a. Cape Girardeau SWCD – Hubble Creek

Ken Struempf presented a report on the status of the Hubble Creek Project.

Mr. Struempf reported the following correspondence was included in the commission's packet, a letter to the Cape Girardeau County Commission informing them of the commission's policies regarding Management Strategy and the opportunity to discuss the project with the commission.

In the packet, the commission was also presented a copy of the July minutes of the Cape Girardeau SWCD Board of Supervisors Meeting. The minutes indicated that program staff attended the board meeting in July to discuss the status of the Hubble Creek Project. Mr. Scherr helped the project manager prepare a progress report; he also explained the Management Strategy process, and the possibility of the project being terminated because of lack of progress. He also explained that the board could appeal the Management Strategy policy. In the minutes of that board meeting, it was noted that no board appeal would be made for the Management Strategy process. Mr. Struempf informed the commission that the board had a meeting in August and this issue may have been revisited.

The commission packet of materials also included a summary of progress for the project through June 2005, a

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timeline regarding interaction of program staff with the Cape Girardeau staff and board, the approved watershed plan showing the goals developed by the local board, a letter from Representative Scott Lipke, a letter from the county commission, the Agricultural Nonpoint Source (AgNPS) Special Area Land Treatment (SALT) manager's letter, and a copy of the Semi-Annual Progress Report showing progress. Representative Lipke's letter emphasized the holistic approach taken by the many partners to protect the Hubble Creek Watershed.

Mr. Struempf reviewed with the commission a chronology for the Hubble Creek project.

The project was approved in May of 2001 and implementation began in June of 2001. The commission would like for the districts to achieve a minimum of 80 percent of the goals for the project. Projects that are unable to achieve the expected progress are placed in Management Strategy. Management Strategy was developed to assist districts in meeting the goals of the watershed plan. The policy also lets the district know the course of action the commission will take with a project that is not able to attain the goals shown in the plan.

Mr. Struempf proceeded to cover the history of the project. At the May 2004 commission meeting, staff briefed the commission on the progress of the project. The commission was informed that the Semi-Annual Progress Report for July through December of the third year showed progress at 11.44 percent while the minimum was 15 percent, a difference of 3.5 percent. At that point, according to Management Strategy policy, the district developed a revised plan to help the project reach its goals. The revised plan that was submitted to the program office included reducing practices and activities, reducing or eliminating acres of Cropland Protection (DSL-8) and Sod Waterways (DWP-3). Since the district reduced or eliminated some of their goals, the district agreed to reduce their personnel grant funds in an equivalent proportion to their overall goals. After the sixth report, which included

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January through June of 2004, the project was at 21.9 percent while the minimum was 23 percent; this was a difference of 1.1 percent. Some of the gain in progress was attributed to the goals being lowered. After the seventh progress report, which included July through December 2004, the progress for the project was 26.09 percent while the minimum should have been at least 32 percent, a difference of 5.91 percent. Since the project continued to fall further behind for a second time, while in Management Strategy, the district was given notice that if the project continued to lack progress in the next reporting period, it is commission policy that the project be terminated. For the reporting period of January 2005 to June 2005 the progress did not meet the minimum progress required. For this time period, staff received two different progress reports. Staff briefed the commission on the latest report showing the progress achieved was 33.2 percent for the project. The progress reported did not meet the commission's minimum for the third time while in management strategy.

Next Mr. Struempf covered the categories of the Semi-Annual Progress Report. A chart was presented to the commission showing the resource concerns, weighted importance for the project, and the amount completed of the original goals as shown on the report.

Mr. Struempf presented the commission a financial summary for the project. The total claimed for the project in cost-share was \$167,675; the total amount of cost-share budgeted through FY06 is \$540,237. There has been a total of 69 different claims, and the total administrative dollars spent through FY05 was \$72,766.48. There are two years left on the project.

Mr. Struempf stated that in the past when the commission terminated a project, they extended the grant for one quarter to allow for the district to sign up any landowners for cost-share that the district had been working with. The extension included personnel funding for the quarter also. The commission has honored any active cost-share applications signed prior to the deadline established.

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Stan Murray, the AgNPS SALT Manager for Cape Girardeau SWCD, referred to the letter from Roger Hansen on the soil savings for the in-stream structures and the amount of investment by the county commission to accomplish these practices. The three structures totaled \$537,000. Mr. Murray asked why there was not more credit shown on the report. He also recognized that they had come up short in the SALT goals, but they had been offset with the three structures that were put in. He stated that they had claimed two-percent progress for the in-stream structures under the water control structures. The commission asked the AgNPS SALT Manager why these were not included in the plan approved. Mr. Murray answered that they had tried to convey that to staff, and that they had some concerns. He pointed out that in their final application it was addressed in the plan. He stated that there was a review of their project before it was approved in the spring of 2000, and again head cutting in Hubble Creek was one of the major concerns. The funds spent on these projects were time sensitive, grant money was going to be received and if not used it would be returned. He stated that Cape Girardeau County allowed him to use their storm water grant money to partner with the Corp of Engineers. He informed the commission that Cape Girardeau County provided an additional \$32,000 for getting \$500,000 worth of structures. He reiterated that these were time consuming. These structures were done at the price of some of their goals in the AgNPS SALT project. He informed the commission that they would like to take the remaining time and see if they could get some more conservation practices on the ground.

Kathryn Braden asked who assisted in establishing the goals for the project, because the goals and the importance did not add up, Mr. Murray answered that the project started about 1997 and 1998 and someone other than him wrote the grant. He stated that they were not different than the rest of Missouri and that they have a watershed that was becoming urbanized and has lost conservation opportunities. He stated that sometimes the goals are too

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high. Richard Fordyce stated that the commission has a problem because when AgNPS SALT applications are received, it is a bid process, and if the goals are set high you rank higher than another AgNPS SALT that is in a competitive bidding process with you. That puts the commission in a tough spot when they approve AgNPS SALT projects, how do they know that the items listed in the project are attainable, obviously a lot of the goals that the board set forth in the initial plan were not obtainable. Mr. Murray stated that was true. When asked why more was not done, since they had used money for personnel for the project, Mr. Murray answered that they were told that it would look unfavorable if they moved money from cost-share practices into personnel. The commission asked why more was not done when they knew that they were in Management Strategy, Mr. Murray stated that something had to give and he needed to address the local concerns. Mr. Fordyce stated that he thought they should be commended on leveraging dollars and using cooperators. The issue for the commission is how projects are selected and who gets awarded the funding. Mr. Fordyce asked that if they were to grant a grace period of six to 12 months did they have a plan that would put them at 46 to 56 percent. Mr. Murray answered that if they could receive credit for the in-stream structures it would pull them up and it would give them enough time to come up with some things. When asked if he could provide them with some examples, Mr. Murray answered that they were looking at expansion of the irrigation practice (443). He stated that they had a farmer that put in a subsurface irrigation system. Brad McCord stated that Department of Conservation was involved with the Cape Girardeau County Commission and district, along with NRCS, and it was a very remarkable partnership that put together the \$500,000 plus that put the three structures on the ground. When asked when the structures went in, Mr. Murray answered the first one went in four years ago, the second one went in last year, and the third was put in last spring. When asked how they could change their goals to reach the standard, Mr. Murray answered that they would have to have some leeway. Ms. Brown stated that she felt the decision that the commission

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made would reflect on other AgNPS SALT projects that go into Management Strategy. Zora AuBuchon asked what they had been doing and not getting credit for and why credit was not being given. Ms. Fast answered that the district had put in three in-stream structures and basically when they submitted their AgNPS SALT plan and when it was approved, those structures were not a part of the plan. Ms. Fast stated that the district was allowed a revision when they went into management strategy, and at that time it wasn't added to the plan. Mr. Murray stated that it was mentioned in the final application. When asked why only 64 acres of cropland erosion and why only 28 gully erosion sites were done, Mr. Murray answered that the target area for the gully erosion has become urbanized. He stated field border practices had been increasing. When asked when the first revision was made, it was stated the goals were revised in May of 2004. When asked why it was revised, Mr. Murray answered because of Management Strategy. When asked if the goals or the weighting was revised when the plan was revised, Mr. Murray answered the goals were revised. When asked if credit was given for the structures, what category would it be in, Ms. Fast answered that according to Mr. Struempf some would probably fit in riparian protection or possibly the commission could add another category for the in-stream work. Mr. Aylward stated that the district had done wonderful on one side and nothing on the other side. Mr. Aylward stated that the district chose their priorities. He stated that with the acreage loss, he did not feel that they could come up to anywhere close to the goals that were given to the commission by the district. Mr. Murray stated that they tried to get the structures included when they saw some of the goals falling behind. Mr. Aylward reiterated that they were not in the original plan that the commission approved. Mr. Aylward stated he would be willing to give the district two months and see how many people they could get signed up and if they could get another five or seven percent that would be fine, but if not, the project would end.

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John Aylward made a motion to extend the project for three months with 7.5 percent increase towards the goals completed. Richard Fordyce seconded the motion.

Ms. Brown stated that it was a difficult issue and she felt that they were under some persuasion. Mr. Fordyce asked if there were some gully erosion treatment areas available to the district; Mr. Murray answered that there were still a lot of sites there. Mr. Fordyce suggested that the district advertise the project a little better. Mr. Murray stated that their last newsletter was aimed at that. Mr. Fordyce reiterated that the commission has guidelines that they need to follow and if the completion percentages of the project were not obtained after the given period of time, he felt the commission had done their part. Mr. Murray stated that they would make their best effort to get the percentage accomplished. He stated that the commission had gone beyond what they had to do or was required to do.

When polled John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Dallas SWCD – Project Goal Revisions for the Lindley Creek AgNPS Project

Kevin Scherr presented a request from the Dallas SWCD to allow the district to change their goals for the Lindley Creek Agricultural Nonpoint Source (AgNPS) Special Area Land Treatment (SALT) Project.

Mr. Scherr proceeded to give the commission facts on the project. He stated that in July of 2001 the Lindley Creek Project began and the project had completed its fourth year of the seven-year project life. The area of the project consists of 41,165 acres. The commission approved the district for \$750,000 in grant funds for the life of the project and \$300,000 was budgeted for personnel and management, while \$450,000 was budgeted for cost-share incentives.

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As of June 30, 2005, the district had spent \$325,436.65 of their \$750,000 grant. Of that, \$165,122.82 had been spent on personnel and management, while \$160,313.83 had been claimed in cost-share. As of July 1, 2005, the district had an additional \$57,319 cost-share obligated to landowners.

Some of the changes the district requested to make were to increase the N391, Riparian Forest Buffer practice from 25 acres to 50 acres; increase the percentage of importance for the Streambank Protection practice from 10 percent to 13 percent; increase the DFR-5, Woodland Protection practice from 25,000 feet to 35,000 feet; and increase the percent of importance for Livestock Exclusion from five percent to seven percent.

The district asked to reduce the DSL-1, Permanent Vegetative Cover Enhancement practice from 3500 acres to 1500 acres; reduce the DSL-2, Permanent Vegetative Cover Improvement Practice from 500 acres to 400 acres; reduce the DSL-11, Permanent Vegetative Cover - Critical Areas seeding from 150 acres to 75 acres; and decrease the percentage of importance of Erosion Control from 15 percent to 10 percent.

The district stated in their letter, that while they were reducing amounts of treated acres, they felt that the riparian areas in the watershed served a greater purpose and the sensitivity of these areas warranted additional treatment. The district also stated that very few acres meet the Natural Resources Conservation Service (NRCS) specifications based on the Revised Universal Soil Loss Equation 2 (RUSLE2) on the pasture and hayland usage. According to their letter, fields must have fairly steep slopes and be in very poor conditions to qualify, and there are not 3,500 acres of these fields in the Lindley Creek SALT Project.

Generally districts do not change their project goals during the life of the project unless they fall into Management Strategy. Once a project falls into Management Strategy, the district is given one opportunity to revise their goals to help revitalize the project.

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Mr. Scherr stated that in the case of the Lindley Creek Project, the progress was on track and proceeding on schedule. The district was not being asked to reduce their management grant funds since they were increasing some goals, as well as reducing others.

Mr. Scherr informed the commission that with the requested revisions, the current percentage of progress would actually decrease from 45.17 percent to 42.83 percent, which is a decrease of 2.34 percent. With the proposed changes, the district would still remain almost 13 percent above the minimum required.

Tony Rosen the District Technician for Dallas County stated that one of the main problems was getting acreage to qualify under RUSLE2. He stated that because of RUSLE2 they would not be able to meet the goals for erosion control. Dwaine Gelnar stated that he agreed with Mr. Rosen's comments and that when they switched from RUSLE to RUSLE2 model the erosion rates went up

Kathryn Braden made a motion to approve the district's request. Richard Fordyce seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

I. REQUESTS (Continue)

1. Land Assistance Section

a. Cost-Share

1. Lafayette SWCD – Request for the Commission to Establish a Fund to Assist Failed Structures

Joyce Luebbering presented a request from the Lafayette County SWCD. The board was requesting the commission authorize financial assistance for repairs on a DWC-1 Water Impoundment Reservoir built with cost-share funds.

Policy states, "The landowner is responsible for maintenance of the cost-shared practice. Practices installed with state cost-share

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assistance must be maintained in good operating condition to assure continued and effective control of erosion. The maintenance life of the practice is stated on the cost-share application.”

On December 18, 2003, the original cost-share application was certified and claimed. Ms. Luebbering stated the practice was currently under the maintenance agreement. The actual cost for the practice was \$19,178.17 and the cost-share paid was \$8,250.

According to the Natural Resources Conservation Service (NRCS) State Engineer, the pond did meet NRCS standards and specifications. NRCS also noted that no other pond in that area had the same problem. According to NRCS, the dam was not placed where the practice design showed it to be located.

In a letter Mr. Spease, the landowner, stated that his house and surrounding topography were threatened by the sliding rate of the ground into the pond. It was noted that when the pond was constructed and certified in December 2003 by NRCS, no house was present on the site.

According to the letter Mr. Spease wrote during a meeting with NRCS, he was shown plans to stabilize and correct the failure areas. The estimated cost to repair and correct the slope to a safety factor of three percent or better and re-stabilize the hill slope was \$45,000. The letter also stated that the landowner had not removed, modified, or altered the practice in any way and felt that he had fulfilled his responsibilities and has no liability in the situation. In the letter, Mr. Spease indicated that he felt the conservation plan developed was severely flawed and something was missed during the planning and/or construction process that directly resulted in the failure of the slopes.

In a letter from the Lafayette Board of Supervisors, they stated that they had provided assistance on hundreds of grade stabilization structures with very few problems. The letter also stated they would like for the commission to consider establishing a fund or a way to assist landowners when these types of situations occur. The board stated they had no way to provide any type of financial assistance for the landowner.

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Ms. Luebbering stated that in the past the commission had not provided financial assistance to repair construction related problems but limited assistance to storm related damage. Ms. Luebbering proceeded to show slides of the site.

Steve Collier, from Representative McGhee office, stated that when they first heard from Mr. Spease he had been having a paperwork problem about getting something done on the practice. Mr. Collier stated that Mr. Spease had been overseas and that his wife had been handling the issue. When Mr. Spease returned he was upset that no one was willing to do anything or that they thought they did not need to do anything. Mr. Collier stated the project was approved by the state. He stated that it appeared that the pond was probably put in a place that it should not have been. Mr. Collier stated that it was not the landowner's responsibility to fix the problem, he was just doing what he was told needed to be done. He also stated the Mr. Spease might have had a certain bit of liability in that he should have questioned things more, but with him overseas that was tough to do. He stated they were concerned the state funded a project that was defective and it seemed to him that the state had some responsibility to correct the problem. Mr. Collier stated that he and Representative McGhee were not sure where to go either, and that was why it was before the commission.

Brian Spease stated that while he was overseas his wife did inform him of the problems and that she was making attempts to get it corrected, but it was a dead-end. He stated that immediately after the structure was completed it began to fall in. In talking with geologist and contractors he felt that too much of the toe of the hill was removed along with other factors that were going on with the hill that he felt should have been or were known of before construction. He stated that fix that was proposed would have worked if it had been installed approximately a year and a half ago when his wife requested assistance. He indicated he felt that the hill was too far-gone for the fix that he was being required to install. He stated it would not work, and he was not prepared to use his money or accept the level of risk that he had been told his level of risk was. He stated the landowner should not have to accept the level of risk on a practice. Mr. Spease stated that he felt that it was a failed structure and it had failed to the point of having

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to be filled in and that was the only acceptable level of risk that he would accept. Sheryl Spease stated that when it first started to slide she contacted the Higginsville office several times and received no help. She did not get any assistance until she contacted Roger Hansen. A team came out and looked at it, but by that time there was a major mess. Mr. Spease stated that the property was destroyed to the point of not being useable or sellable. Zora AuBuchon from the Attorney General's Office asked Mr. Spease if he would give the commission a month to collect more information about the issue and get back in touch with him about some alternatives. Mr. Spease answered that would be fine, but their concern was that with each rain they lose more slope. Ms. AuBuchon asked if the landowner selected the contractor. Mr. Spease answered yes. Next she asked what kind of alternatives had been presented to him to fix the problem. Ms. Spease answered the first one was to put tiles in, which was immediately done, but it continued to slide. Ms. Spease stated she paid for that herself. The next fix was to put in another set of tiles. She stated that she would not do that because the first set did not work. Then they came up with the last fix. Ms. AuBuchon asked what the last fix was. Mr. Spease stated that he felt that there needed to be a toe put back at the bottom of the hill, along with a core cut along the house. Mr. Spease stated that Mr. Purcell had the technical data on the last fix that NRCS was proposing, and Mr. Spease did not agree with it. When asked if he had any figures on the cost to doze the pond in, Mr. Spease answered that they were being collected, and his personal position was that if the pond continued toward the house he would fill it in. Mr. Spease pointed that the west side of the structure was beginning to slide also. When asked if the hillside where the slough started was disturbed during the construction and if there were trees taken off, Mr. Spease answered that he was not aware of any trees on the hillside. Steve Oetting informed the commission that he had overhead aerial view for the year of 2004. It showed no trees in that area. Mr. Oetting asked if the area was graded during construction. Mr. Spease stated not that he was aware because they were not living in the state at the time. Mr. Oetting who is the chair of that district board and the district, stated the issues was brought to their attention during the current year. The reason the issue was brought to the commission was that Lafayette County had never encountered this type of a problem and they were not sure how to

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address it. Mr. Oetting asked if the structure was filled in, if it would violate the maintenance agreement as long as he fills it in to the level of the tube; Ms. Fast answered that it was her understanding that the commission would have the authority to waive the maintenance agreement if they wished.

Kathryn Braden made a motion to table the issue for a month to allow the commission to get advice from their legal council. Richard Fordyce seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

J. REVIEW/EVALUATION (Continued)

1. Land Assistance Section

a. Special Area Land Treatment (SALT)

1. Management Strategy Updates

a. Ozark SWCD – Southern Bull Shoals Watershed

Ken Struempf presented an update on Ozark SWCD's Southern Bull Shoals Agricultural Nonpoint Source (AgNPS) Special Area Land Treatment (SALT) Project placed in management strategy.

Ken informed the commission of the letter staff sent to the Ozark Soil and Water Conservation District Board of Supervisors informing them the project was being placed in Management Strategy.

Mr. Struempf stated that Management Strategy is a process of identifying AgNPS SALT projects that are struggling to meet their goals and objectives and provides the district additional assistance to meet the goals of the watershed plan.

The Southern Bull Shoals AgNPS SALT Project began on July 1, 2003 after being awarded approval by the Missouri Soil and Water Districts Commission at their May 2003 commission meeting. The project's focus included erosion control on pastureland, pasture management, information/education, woodland management, livestock

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exclusion, riparian protection, steambank stabilization, groundwater protection, waste management on dairies, and nutrient management. The project has shown the most success in treating erosion problems on pasture, implementing grazing systems, and information/education. The progress shown on the last Semi-Annual Progress Report for these areas was 6.78 percent, and the commission's minimum for that reporting period was eight percent.

Mr. Struempf stated that he attended the board meeting to discuss the commission's policies and the progress reported. During the meeting it was discovered that some of the conservation work accomplished was not reported. The board stated that it most likely occurred due to a change in staff at the local district office. The district asked for an opportunity to resubmit the report. The new report, which was received on August 23, 2005, showed an additional 575 acres of erosion control, 150 acres of grazing systems, and seven more information/education activities that were not reported. After the progress for those items had been accounted for, the district's progress for the project was at 13.06 percent complete. This additional progress brings this district above the required eight percent and staff will be sending them a letter letting them know they are no longer in Management Strategy. The Management Strategy process was very productive in pointing out certain resource areas that the district needs to focus on. The board has stressed the importance of accomplishing work in all these areas.

b. Putnam SWCD – Blackbird Creek

April Brandt presented an update on the Putnam County Blackbird Creek AgNPS SALT Project. The project is a seven-year project and is currently beginning its fourth year.

In a letter from the program office dated August 26, 2005, the Putnam Soil and Water District Board was informed

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that the Blackbird Creek AgNPS SALT Project was being placed on Management Strategy.

On August 18, 2005, the program office received the Semi-Annual Progress Report for FY06 spring reporting period. The percent of progress reported was 16.19 percent, which was below the commission minimum of 17 percent for that reporting period.

On August 31, 2005, program office staff attended the Putnam SWCD Board meeting to explain the letter that was sent and discuss concerns for the project, as well as suggestions for getting the project back on tract. The board was informed that an action plan to revitalize the project would need to be to the commission no later than October 31, 2005.

Ms. Brandt informed the commission that the district was revising the FY05 spring reporting period Semi-Annual Progress Report. She also stated that staff would provide an update on the status of the project to the commission at their next meeting.

2. Commission Direction on Phosphorus Index for Waste Utilization

Ken Struempf presented a request for the commission to provide staff with direction on the use of the phosphorus index for the waste utilization practice.

Mr. Struempf stated that recently Natural Resources Conservation Service (NRCS) added the use of the phosphorus index for the N590 nutrient management specification. The commission's policy allows for producers to utilize the waste utilization practice and it is based upon soil test phosphorus levels only. The phosphorus index may be another tool the commission may want to add to their policy for the waste utilization practice.

To give the commission a detailed report on how the phosphorus index works and the appropriate uses, Mr. Struempf asked Ron Miller, the State Agronomist for NRCS, to present an

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informational report on the phosphorus index. The phosphorus index would be most applicable where producers have historically applied organic nutrients and the P levels are in the high or very high range.

Ron Miller stated that he and Dr. John Lory developed the phosphorus index as a field risk assessment tool to evaluate the potential for phosphorus loss. He stated the main losses of phosphorus are in the runoff and erosion of the fields. He stated that he hoped to see it used in the prioritizing of fields. He informed the commission that the phosphorus index was based on a soil test cycle, and the cycle they were recommending was every four years. He stated that the index is based on the Revised Universal Soil Loss Equation (RUSLE) technology.

Mr. Miller stated that they would like to see the phosphorus index used in situations where manure nutrients are to be land-applied and in some places where the agronomic phosphorus rates become limited because they were too high. He stated that one situation that they ran into a lot was whole farm nutrient imbalance. This is when more manure nutrients are produced than the farm can use. He stated there needed to be a conservation system in place when the phosphorus index is used. Mr. Miller stated he wanted to stress that it was a temporary fix. The phosphorus index is good for four years.

Sarah Fast asked when the index would be ready for use. Mr. Miller answered that the interim phosphorus index was ready for use. When asked how the comprehensive nutrient management plan (CNMP) and the phosphorus index would work together, Mr. Miller answered that the index was a tool that CNMP could use to prioritize the fields and use the manure on the farm. Richard Fordyce asked what this would do to the accumulation or depletion of manure in the state. Mr. Struempf answered that it was a temporary fix to get over the four years. When asked if there would be less or more acres to spread litter on, Mr. Struempf answered that by using the index there would be more acres available to provide an incentive to spread manure because you would be spreading on acres that are high in phosphorus that do not have erosion occurring. Mr. Struempf informed the commission, that in most instances the producer has been

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historically spreading organic nutrients on these acres where the phosphorus index would be applicable. Mr. Struempf informed the commission that they needed to decide if they wanted to provide an incentive for these acres in which the phosphorus index would be a qualifying factor. Ms. Fast informed the commission that this might be something that they would want to think about. She reiterated that it was more of an informational report so that the commission would know about the phosphorus index. Mr. Struempf stated that the current policy was based on soil test phosphorus levels.

The commission did not give staff any specific direction on changing the waste utilization practice to include the use of the phosphorus index.

3. Review of Nutrient Management Policy Clarification and Checksheet

Ken Struempf provided a review of the nutrient management policy clarifications and checksheet provided in the commission's packet.

Mr. Struempf reported that program staff had heard numerous comments over the past eight months regarding the policies that were implemented on January 1, 2005. Mr. Struempf informed the commission that the district employees that attended the recent nutrient management training on August 24th and 25th had been given an opportunity to comment on these draft policies. The comments were positive on the changes proposed.

The proposed changes were nutrient management plans with low, medium, and high phosphorus and/or potassium levels may allow for buildup of P and K soil analyses to a high level. The new policies included a variable rate incentive and required documentation for payment. The new policies allow producers using variable rates to receive up to \$20 an acre. The new policies would allow for the required lime application to be split among the first two years of the nutrient management plan if more than 1,200 pounds of ENM is required.

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Mr. Struempf stated that they had revised the checksheet based on the district feedback that they received over the last eight months.

Kathryn Braden asked how erosion at or below tolerable soil loss came into the nutrient management program. Mr. Struempf answered that "T" had to be below tolerable soil loss according to the field office technical guide. The reason for that was that phosphorus binds with sediment and the standard wants to minimize the amount of nutrients leaving the field for proper nutrient management.

Leon Kreisler made a motion to approve the policy revision to the nutrient management practice. John Aylward seconded the motion.

When asked if this would be a step forward, Mr. Struempf answered yes according to comments received from the districts.

When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

K. REQUESTS (Continued)

1. District Assistance Section

a. Supervisor Appointments

1. Putnam SWCD

Chris Wieberg presented a request from the Putnam County SWCD to appoint Steve Harlan to fill the unexpired term of John Steele due to his death.

Richard Fordyce made a motion to approve the board's request. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

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2. Land Assistance Section

b. Cost-Share

1. New Madrid SWCD – Request to Provide Cost-Share on Topwidth Required by the Drainage District on the DWP-1 (Drop Pipe Structure)

Ron Redden presented a request from New Madrid SWCD asking the commission to review the policy on topwidth requirements for the Grade Stabilization Structures.

In November 2004, the commission revised their policy on topwidths for drop pipe structures. According to the commission's current policy, cost-share is limited to 12 feet unless the berm height requires a minimum and necessary greater than 12 feet.

Mr. Redden proceeded to provide background information on the use of the practice in southeast Missouri. When the Sediment Retention, Erosion, or Water Control Structure (DWP-1) practice is used as a drop pipe in southeast Missouri, it has an exception to the rule requiring that there be excessive soil loss or active gully erosion. The practice is constructed to prevent erosion rather than reducing or eliminating erosion. This is the only practice that the commission has that specifically states its purpose is to prevent erosion rather than reduce or decrease soil erosion. For several districts in the bootheel, this is the only practice they normally use. In FY04 the practice was used 439 times by four districts in southeast Missouri and this represented 100 percent of their cost-share claimed.

Prior to the November 2004 meeting, cost-share was limited to the minimum necessary topwidth, not to exceed 12 feet. Mr. Redden stated that there were instances when the design included a topwidth of 12 feet minimum but the drainage district required a greater topwidth.

In November 2004, Butler SWCD requested the commission provide cost-share for a 12-foot topwidth even if a lesser topwidth met NRCS standards. The request was made to address the district's safety concerns with six, eight, and ten-foot topwidths.

The berm for which a drop pipe structure is used is sometimes under the authority of a legal drainage district that requires a

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topwidth greater than 12 feet. Mr. Redden pointed out that the commission's current policy limits cost-share to 12 feet on drainage district berms even if the drainage district requires a greater width.

Mr. Redden stated that recently NRCS has changed their standards and on these structures, now design the topwidth required by the legal drainage district.

When asked if there was a levee with these practices, Mr. Redden answered that the levees are there. Richard Fordyce asked if they are just installing pipe. Mr. Redden replied that was correct, and that they are using the pipe to drain water off the field. Dick Purcell stated that in some instances the drop pipes are on very low levees and there usually is a horizontal pipe that goes through the levee. If they have a bigger drop, they will put an elbow in and then extend the pipe.

John Aylward made a motion to approve the board's request and change commission policy to provide cost-share for the topwidth required by the legal drainage district. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Sarah Fast stated that they would go back to the request to look at the Planned Grazing Systems (DSP-3) issue. She reminded the commission that staff was asked to put some language together on the issue.

L. REVIEW/EVALUATION (Continued)

1. Land Assistance Section

a. Cost-Share

1. Update on the Current Drought Situation (Continued from earlier in the meeting)

Earlier in the meeting the commission requested staff to bring back to them information on the Planned Grazing Systems (DSP-3) and to provide some alternatives for the commission.

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Mr. Redden stated they looked at the purpose of the practice, which is to demonstrate the environmental and economical benefit of rotational grazing. He stated that in the past the thought was that after 48 months the landowners would realize the benefits and would want to continue on their own. He pointed out that during droughts, like Mr. Kreisler indicated earlier in the meeting, pastures in the planned grazing systems do survive better than those that are not included in a rotational grazing system. Mr. Redden stated that staff had developed two alternatives while keeping in mind the administrative issues associated with a policy change.

The first alternative was the original request of Commissioner Kreisler, which was to extend the period of time for which a landowner is eligible to expand or extend the planned grazing system from a period of 48 months after the initial claim is approved to 72 months. Elizabeth Brown stated that there was no mention of drought in that alternative. She stated that she thought it was only just for the drought. Mr. Redden said that the observation brought to Mr. Kreisler's attention was a result of the drought; however, Mr. Kreisler's proposed alternative is that time be extended to all landowners and not just those affected by the drought.

Mr. Redden stated the second alternative is to extend the period of time from 48 months to 72 months for only those landowners that have exceeded the 48 months as of September 8, 2005. If districts have landowners that, as of September 8, 2005, have exceeded 48 months since their original claim was approved, they would be eligible to keep adding to the system and working toward their \$9,000 maximum for an additional two years. Ms. Brown stated that she thought this would open up a whole new avenue from people who did not fall into that category. When asked if this was only for the counties that had drought or if it was statewide, Mr. Redden answered that it was Mr. Kreisler's intent that this be statewide.

Leon Kreisler made a motion to extend the period of time from 48 months to 72 months for only those landowners that have exceeded the 48 months as of September 8, 2005. John Aylward seconded the motion. When asked by the chair, John Aylward, Kathryn

Braden, Richard Fordyce, Leon Kreisler, and Elizabeth Brown
voted in favor of the motion and the motion carried unanimously.

M. FOLLOW-UP

1. Commissioner Fordyce Request for Review of the \$500 Cancelled Check Policy With Components Not Used on the Practice

Sarah Fast stated that after the Area Meeting, Commissioner Fordyce asked to have the cancelled check policy brought back to the commission because he had received several comments.

Ron Redden stated that this was discussed when the Douglas SWCD had their request before the commission several months ago. Mr. Redden stated the current policy applies to any invoice that exceeds \$500. He stated that it applies to all cost-share applications that were approved by the district board after January 1, 2005, and it requires that invoices in excess of \$500 must be supported by a cancelled check or other approved similar documentation, such as cashiers check, money order, etc.

Mr. Redden informed the commission that the auditor did not specifically state that the commission should require cancelled checks for only invoices in excess of \$500. The auditor recommended that the commission require cancelled checks. The commission's thought was that if a landowner purchased items in excess of \$500, the landowner probably did not pay with cash and that was how the \$500 amount was reached during the discussion when the commission adopted the policy. Mr. Redden stated that the \$500 applies to the total invoice amount and not the amount of cost-share eligible components on the invoice. This was to help avoid confusion for both the district clerks and landowners when items are purchased. It was thought that rather than having a landowner determine whether he or she could pay the invoice with a check or by cash at the time of purchase, the commission believed there would be fewer problems by looking at the total invoice amount. If the invoice exceeded \$500, regardless of how much of the items purchases were eligible, a cashier's check, cancelled check, etc., would be required to document payment.

Mr. Fordyce stated that at the Savannah Area Meeting it was brought up by a clerk from Clinton County that their district had a landowner with an invoice with cost-share components that totaled \$400, but the landowner purchased other items that are not cost-share eligible. The vendor put it all on one invoice and when the landowner went to complete his paperwork, he had to go back to the vendor and have a new invoice issued. Mr. Fordyce stated that he felt the Clinton County

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clerk thought it was more complicated to follow the commission's policy, rather than allowing the districts to itemize the components as long as the total was under \$500.

When asked what auditor made the recommendation, Ms. Fast answered that it was the last three state audits and they said all purchases. During discussion, the question was asked about the audit findings and Mr. Redden stated that the last audit was different. Rather than the auditor just indicating that the commission should be requiring cancelled checks as the previous auditors had, the last auditor went back to 25 landowners and asked them to provide cancelled checks. Of the 25, only 15 responded. One of those that responded provided a cancelled check for \$469 less than what the invoice indicated was paid. One of the other landowners had an invoice for over \$11,000, and they did not write a check. The landowner responded back that he traded goods and services with the contractor. Mr. Redden felt that this was what prompted the commission to give consideration to the audit findings. Elizabeth Brown stated that she felt that people were more or less getting use to the policy. Mr. Fordyce stated it was not the \$500 issue; it was the total invoice total. Steve Oetting commented that he felt the issue would settle itself, as people get familiar with it. In his district, they recommend landowners write a check for their seed, and a check for the fertilizer, so that it does not have to be sorted out. He reported that they have had very few problems with people that use cost-share every two or three years, the problem usually comes from the ones that use it every five or ten years because their not familiar with it.

Failing to receive a motion, the current policy remained in force.

N. NEW BUSINESS

Zora AuBuchon stated she would no longer be representing the commission. She stated she had taken a different position in the Attorney General's Office. She informed the commission that she did not know who her replacement would be, but she would push to get someone named as soon as possible so she could work with him or her. Elizabeth Brown stated they appreciated her service.

O. REPORTS

1. NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

Dwaine Gelnar stated they would have a sign up for most of their programs starting in October or early November. Whether it was the Community Services Program, Environmental Quality Incentive Program, Wildlife Habitat Incentives

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Program, or Wetland Reserve Program, all would probably hold sign up in the fall here in the state. Community Services Program is dictated nationally so they do not have a lot of control of that, but they anticipate that they would have sign up as well in the fall.

He reported that the only two watersheds that would have a sign up for Community Services Program are the James River and Spring River, both south and west of Springfield. These were the only two approved this year, because of limited funding. He stated they would probably end the sign up sometime around the holidays.

One other issue was their terrace standard. They are now requiring that in certain cases they stock pile topsoil and replace it after the terraces are completed.

2. MASWCD

Steve Oetting informed the commission that on September 27, 2005, they would have their Area Director Meeting. This is the last meeting before the training conference. They will be finalizing sessions, agendas, speakers, etc. He stated that Area Meetings went well, but they would like to see more supervisors in attendance.

3. STAFF

Sarah Fast stated that there are two dates for the next two commission meetings. She stated that normally there is only one meeting and typically it was in November. The two dates were October 25th, and November 9th. Richard Fordyce stated that either date would be good. Ms. Fast stated that if it did not matter, the October 25th date would be good so that the meetings would be spread out. After discussion, it was decided to have the October 25th meeting, with the November 9th as the back up.

P. DATE OF NEXT MEETINGS

The date of the next commission meeting was set for Tuesday, October 25, 2005, beginning at 8:00 am at the DNR Conference Center, located at 1738 East Elm in the Bennett Springs/Roaring River room in Jefferson City, Missouri. The November meeting was tentatively scheduled for Wednesday, November 9, 2005, in Jefferson City, Missouri.

Q. PUBLIC COMMENTS

When asked, there were no public comments made.

Kathryn Braden asked if the DFR-5 was effective as of September 8, 2005, and would the memo go out as soon as possible; Ms. Fast answered that typically in the memo a date is given. Ms. Braden asked if it could be immediately because there were counties that had been holding off on the sign up. Ron Redden stated the memo would be out no later than the first part of the next week. Ms. Braden asked if there was a written policy on using Power of Attorney. Ms. Fast answered that there was language in the statute that refers to the Attorney General's Office, but other than that she was not aware of any. Dean Martin asked if it was for landowners. Ms. Braden answered yes. Mr. Redden stated they do not recognize a Power of Attorney for getting the cost-share check; it goes to the landowner. But there is a reference to Power of Attorney in the handbook. Steve Oetting asked if a Power of Attorney could sign an application for cost-share. Mr. Redden answered they could, but the check had to be made out to the landowner.

R. ADJOURNMENT

Leon Kreisler moved the meeting be adjourned. Richard Fordyce seconded the motion. Motion approved by consensus at 2:50 pm.

Respectfully submitted,

Sarah E. Fast, Director
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman
Missouri Soil & Water Districts Commission

/tm